No Objection To Declassification in Full 2012/02/13 : LOC-HAK-454-5-2-0

THE WHITE HOUSE

REFER TO OSD

WASHINGTON

JCS REVIEWED 14-Jul-2010: NO OBJECTION TO DECLASSIFICATION.

SECRET

November 11, 1974

MEMORANDUM FOR:

Major General John Wickham, Jr., USA Military Assistant to the Secretary Department of Defense

SUBJECT:

JCS Assessment of Cambodia

I appreciate your forwarding the recent JCS assessment of the situation in Cambodia, and have passed it to Secretary Kissinger for his review.

In the condition of stalemate now being experienced it may be assumed that the GKR and GRUNK will continue their political and military struggle to alter the existing balance. With regard to the military balance, it would appear that the GKR is particularly vulnerable in its ability to maintain secure LOCs. Although the GKR has maintained a sufficient flow of goods to sustain the population and to carry on the necessary operations, to date, the outlook is uncertain. In view of the relatively small enemy investment required for a successful interdiction program -- particularly on the Mekong River, it would appear useful to examine the threat posed by a concentrated KC effort to interdict Cambodian LOCs and to explore alternative U.S. responses to such an effort.

OSD REVIEWED 30-Nov-2011; NO OBJECTION TO DECLASSIFICATION

DOS REVIEWED 08 AUG 2011 NO OBJECTION TO DECLASSIFICATION

Lieutenant General, USAF

Deputy Assistant to the President for National Security Affairs

SECRET

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THE WHITE HOUSE

WASHINGTON

October 22, 1974

Bill Stearman

The General has reviewed the attached along with my comment on the vulnerability posed by the vital role of the Mekong as the Cambodian lifeline LOC. He has asked for an acknowledgement to Wickham thanking him for sending the JCS paper over and posing the LOC problem for his consideration and asking for comment on how to deal with the contingency of an effective siege. Could you prepare such an acknowledgement please?

BAM

THE WHITE HOUSE

October 18, 1974

General

In the stalemate that obtains for the moment in Cambodia, it would seem to be only a matter of time until the Khmer Communists focus their effort on interdicting the Mekong. I am surprised that they haven't already done so. In our own government, no one seems to be interested in looking at that contingency however, and how we would attempt to cope with it. Were they to try it, I believe it could well be decisive in effecting ultimate KC victory. I believe it would be useful to ask Defense to give some thought to how we would react to such a problem.

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NATIONAL SECURITY COUNCIL

October 18

Les:

We have discussed your recommendations with Stearman and company, and although we would normally agree with you, on this particular paper the consensus is that neither a more meaty summary nor an acknowledgement to Wickham is necessary.

Despite its length, the paper breaks no new ground, and there is nothing to add to the summary other than what is already presented. It is rather a worthless paper.

Usually, we would not even forward a paper of this kind to the Secretary. We get similar assessments all the time from CIA, State, etc. The only reason for forwarding this ap paper is to protect the Secretary in the event Schlesinger or General Brown should ask him about it at some informal mement.



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THE WHITE HOUSE

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MEMORANDUM

NATIONAL SECURITY COUNCIL

TOP SECRET /SENSITIVE

October 37, 1974

MEMORANDUM FOR:

GENERAL SCOWCROFT

FROM:

WILLIAM L. STEARMAN

SUBJECT:

JCS Assessment of the Situation in

Cambodia

The Assessment of the Current Situation in Cambodia prepared by the Joint Chiefs of Staff which you have already reviewed is at Tab A. A memorandum transmitting it to Secretary Kissinger is at Tab II. Per your request, at Tab I is a letter from you to General Wickham thanking him for transmitting the study to you and asking him to have Defense consider the problems that would arise if the Communists cut the Mekong River.

RECOMMENDATION:

That you forward the memorandum at Tab II to the Secretary and that you sign the letter at Tab I.

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GDS

NATIONAL SECURITY COUNCIL 4526

INFORMATION

TOP SECRET/SENSITIVE

October 15, 1974

MEMORANDUM FOR:

SECRETARY KISSINGER

FROM:

WILLIAM L. STEARMAN

SUBJECT:

Joint Chiefs of Staff Assessment

on Cambodia

Attached at Tab A is an assessment on Cambodia completed by the Joint Chiefs of Staff (JCS) on August 28, 1974.

The assessment, which covers the period from the present through the end of FY 75, concludes inter alia that:

- -- A military stalemate has been achieved with neither side capable of defeating the other.
- -- The Communists have greater tactical mobility and motivation, but this is offset by FANK firepower.
- -- Lon Nol is the only leader capable of exerting the necessary leadership on the Phnom Penh side.
 - -- U.S. economic and military aid is essential to survival.

The assessment sees the U.S. as having three policy options vis-a-vis Cambodia: (1) increase our aid; (2) gradually decrease assistance; and (3) maintain assistance at proposed levels.

The JCS recommends that the United States Government continue to provide support at levels requested for FY 75, while simultaneously undertaking an intensive diplomatic campaign to effect a cease-fire and a negotiated settlement.

TOP SECRET/SENSITIVE GDS

We concur in the basic conclusions and recommendations of the JCS assessment, though we are skeptical whether an intense diplomatic effort to start negotiations would bear fruit until the other side becomes convinced it cannot break the present military stalemate.

Dick Smyser concurs.

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OFFICE OF THE SECRETARY OF DEFENSE WASHINGTON, D.C. 20301

1 October 1974

MEMORANDUM FOR THE DEPUTY ASSISTANT TO THE PRESIDENT FOR NATIONAL SECURITY AFFAIRS

SUBJECT: Cambodia Assessment (U)

I am forwarding you a copy of an assessment on Cambodia recently completed by the Joint Chiefs of Staff. A copy of the assessment has been provided to the Executive Secretary, Department of State.

While the recommendation is not unique, it is significant that in an unconstrained search for solutions to our Cambodian dilemma, the conclusions developed draw us back to recurring themes of maintaining the best possible military, economic and political posture in Cambodia while seeking a negotiated settlement.

I hope this assessment will be of some use to you and your staff, and would appreciate any comment you may have in relation to it.

> John A. Wickham, Jr. __Mijor General, USA

Military Assistant

Cambodian Assessment - 1 cy (TS/Sen)

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Upon removal of attachments this document becomes

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THE JOINT CHIEFS OF STAFF WASHINGTON, D.C. 20301



JCSM-362-74 28 August 1974

MEMORANDUM FOR THE SECRETARY OF DEFENSE

Subject: Cambodia Assessment (U)

- 1. (TS) Reference is made to a memorandum by the Deputy Secretary of Defense, dated 21 June 1974, subject as above, which requested the recommendations of the Joint Chiefs of Staff on the nature of future US Government (USG) support for the Government of the Khmer Republic (GKR) and the actions which would be required by such support.
- 2. (TS) The Appendix hereto contains an assessment which provides the recommendation of the Joint Chiefs of Staff concerning future USG policy in Cambodia through the end of FY 1975. It also provides suggested actions for the USG to apply in order to implement the recommendation of the Joint Chiefs of Staff. In arriving at this recommendation, the following three broad options concerning future USG support for Cambodia were considered:
 - a. OPTION I: Initiate action to disengage US support for the GKR by reducing the levels of military and economic funding.
 - b. OPTION II: Initiate all actions necessary to increase US assistance to the GKR.
 - c. OPTION III: Continue to provide support at essentially those funding levels requested for FY 1975, while simultaneously undertaking, as a matter of urgency, an intensive diplomatic campaign to effect a ceasefire and a negotiated settlement in Cambodia as rapidly as possible.
- 3. (TS) Generally, this assessment concludes that the failure of the 1973-1974 Khmer Communist (KC) dry season offensive, combined with unproductive results of the recent GKR peace effort,

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heralded the very real possibility of a protracted war in Cambodia. While the military situation has stabilized, the gains being made by the KC in the international arena are significant. More countries today recognize the Sihanouk government-in-exile rather than the GKR, and the forthcoming UN battle over representation may expel the GKR. The loss of the UN seat may not affect internal affairs in the GKR, but, externally, it is bound to affect foreign assistance to the GKR, including that of the United States. Economically, the GKR has serious problems and is almost totally dependent on the United States for support. In short, there is no assurance at this time that continued high

4. (TS) The Joint Chiefs of Staff recommend that the United States continue to provide support for the GKR at essentially those funding levels requested for FY 1975, while simultaneously undertaking, as a matter of urgency, an intensive diplomatic campaign to effect a ceasefire and a negotiated settlement. The actions that would be required for such support include the following:

levels of US support alone will result in either a military victory or a negotiated settlement. However, such support is

essential to the survival of the GKR through FY 1975.

- a. Undertake, as a matter of urgency, an intensive diplomatic campaign to achieve a negotiated settlement of the war.
- b. Insure that levels of military and economic assistance are provided, within current program levels, to support the diplomatic campaign.
- c. Encourage the GKR to conduct appropriate military operations in support of the diplomatic initiatives.

For the Joint Chiefs of Staff:

Robert n Timbugh

ROBERT N. GINSBURGH Major General, USAF Deputy Director Joint Staff

Attachment



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CAMBODIA ASSESSMENT (U)	
1. (TS) Objective. This study responds to a request by	3
the Deputy Secretary of Defense to provide recommendations on	4
the nature of future US Government (USG) support for the Govern-	5
ment of the Khmer Republic (GKR) (through FY 1975) and the actions	6
which would be required by such support.	<u>7</u>
2. (S) Facts Bearing on the Problem	8
a. Statements of USG Objectives in Cambodia	9
(1) The short-term emphasis since inception of the	10
Lon Mol Government in March 1970 has been a Cambodia	11
which would cooperate with and reinforce US policy	12
in South Vietnam. This is reflected in the statement	13
of US Government Objectives found in the response to the	14
National Security Study Memorandum (NSSM 99) and	<u>15</u>
confirmed in National Security Decision Memorandum 89	16
ing (October 1970):	17
(a) Assist Vietnamization.	18
(b) Support the principle of self-determination	19
in Southeast Asia.	20
(c) Promote the security of Thailand (as a	21
longer term objective).	22
(2) The following statement is found in the response	23
to MSSM 152 (September 1972): "For the next 18 months,	24
as long as the United States continues to support the	25
defense of South Vietnam, our primary objective in	26
Cambodia will be to maintain a friendly neutral	2
government which is amenable, to USG influence and	21
supports US objectives in Indochina and which denies a	29
supports us objectives in indocurre and substantial portion of Khmer population, territory, and	31
economic resources to Vietnamese and Khmer Communist	3
OINIMM. I.S	32
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AUTOMATICALLY DOWNGRADED AT TWO	
YEAR INTERVALS DECLASSIFIED ON DECEMBER 31	*
TOP SECRET-SEMBITIVE 1 Appendix JCSM-362-74	

(3) Key to pursuit of these objectives continues to	1
e firm and often repeated support for Lon Nol,	<u>2</u>
President of the Khmer Republic.	<u>3</u>
o. Congressional Constraints	4
(1) Special Foreign Assistance Act of 1971 (PL	<u>5</u>
91-652) as Amended	<u>6</u>
(a) Section 7 places a restriction on the use of	. <u>7</u>
US ground forces and military advisers in Cambodia	8
by stipulating that none of the funds authorized or	9
appropriated under this or any other Act may be used	10
to finance the introduction of US ground combat	11
troops into Cambodia or to provide US advisers	12
to or for forces in Cambodia.	<u>13</u>
(b) Section 7 also provides that military and	14
economic assistance provided by the United States to	<u>15</u>
Cambodia and authorized or appropriated pursuant to	16
this or any other Act shall not be construed as a	17
commitment by the United States to Cambodia for its	18
defense.	19
(2) Foreign Assistance Act of 1961, as Amended Section	<u>20</u>
656 established a ceiling of 200 on the number of US	21
personnel and 85 on third country nationals paid by	22
the United States in Cambodia at any one time.	<u>23</u>
(3) Joint Resolution (H. J. Res. 636 Established a	24
Continuing Resolution for FY 1974). Section 108 states:	25
*Notwithstanding any other provisions of law, on or	26
after August 15, 1973, no funds herein or heretofore	27
appropriated may be obligated or expended to finance	28
directly or indirectly combat activities by United	29
States military forces in or over or off the shores of	<u>30</u>
States military forces in of over of off the shorts of	31





	(4) Continuing Resolution Authority (CRA) for FY	<u>1</u>
	1975 (H. J. Res. 1062)	<u>2</u>
7	(a) With the passage of the FY 1975 CRA,	. <u>3</u>
* *	Congress authorized the expenditure of funds to	4
	satisfy continuing worldwide security assistance	5
	requirements.	<u>6</u>
 	(b) MAP Cambodia has been authorized to plan on	<u>7</u>
	the availability of \$70 million for the 1st quarter	<u>8</u>
	FY 1975, which constitutes its share of the FY 1975	<u>9</u>
	CRA.	10
3	· (S) Discussion	<u>11</u>
24	a. Military (For a more detailed assessment, refer to	12
A	nnex A.)	<u>13</u>
	(1) General. The Khmer Armed Forces' (FANK) greatest	14
	strength lies in its resilience and superior firepower.	15
	These two factors will more than likely enable the GKR	16
	to survive militarily through FY 1975, given a continuing	17
	high level of US military and economic assistance. The	18
	overriding strength of the Khmer Communists (KC) is their	19
	. ideological motivation to topple the Phnom Penh Government.	20
•	The KC failed to achieve a decisive victory in the Phnom	21
	Penh area or the GKR's collapse this year and have not	22
	scored significantly in efforts against secondary targets	23
. 4 3	in the provinces. Nevertheless, the KC will probably	24
	retain the initiative throughout FY 1975.	25
	(2) Command and Control. FANK continues to suffer	26
-	from deficiencies that inhibit effective command and	27
	control mechanisms such as leadership shortcomings at	28
	all levels, a defensive mentality, a reluctance to	29
	impose discipline, and, in many cases, poor staff and	<u>30</u>
	'logistic support. While the KC have recently expanded	31

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and improved the intermembers and assessment attracture	<u>,</u>
throughout the country, they are still plagued by	2
deficiencies, especially in coordinating operations in	3
different areas. Their improvement efforts have included	4
the upgrading of tactical units to larger elements and	<u>5</u>
a new, albeit limited, capability to maneuver	<u>6</u>
multiregimental forces in a given geographic area.	<u>7</u>
(3) Leadership. The leadership of the KC is probably	8
no better or worse than FANK's in the aggregate;	9
however, their ideological motivation has gone far in	10
overcoming individual leadership inadequacies. At	11
present, both FANK and the KC lack experienced senior	12
	13
military personnel capable of commanding the larger	14
military units and lack well-trained noncommissioned,	15
company, and field-grade officers.	16
(4) Mobility. In moving from a Phnom Penh to a	17
provincial strategy, the KC emphasized tactical mobility	18
and increased their opportunities to mass superior	19
forces and gain surprise as occurred when the KC	20
captured the provincial capital of Oudong. Later in the	
year, however, timely intelligence and effective use of	21
air and riverine assets gave FANK time to reinforce and	22
successfully defend Kampot. The enemy's subsequent	23
moves on Prey Veng and Kompong Thom were also	24
detected well in advance and effectively stymied.	25
Isolated small FANK positions in outlying areas will	26
remain vulnerable to enemy initiatives, however,	2

because FANK lacks sufficient mobility assets and

adequate general reserve forces to counter the enemy

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attacks against them.



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(5) Manpower. The FANK possess a larger manpower	1
pase than the KC, although the KC have steadily moved to	<u>2</u>
mobilize and establish tighter control over the	3
population. An increasingly efficient FANK	4
conscription/recruitment campaign has not only enabled	<u>5</u>
FANK to replace combat losses but has given them a net	<u>6</u>
gain of 10,000 troops since January 1974. Although the	<u>7</u>
KC are estimated to have suffered three times as many	8
killed in action as FANK, they retain the capability to	9
replace their losses because they can coerce, recruit,	10
and impress the population under their control to meet	11
their military objective.	12
(6) Morale. Most FANK and the KC ground	13
combat units suffer from low morale. Although the	14
morale of the individual KC soldier is low, good	<u>15</u>
discipline enables him to fight well. While the	<u>16</u>
individual FANK soldier's morale is low, the lack of	17
good discipline throughout FANK makes this a more	18
missificant problem for the GKR than the KC.	19
(7) Firepower. FANK firepower advantages over the KC	20
are great, and the gap between the two is widening.	21
Artillery, air, and naval forces have inflicted heavy	22
casualties on the KC, and firepower was the single most	23
important element in the failure of the KC's dry season	24
offensive. However, the KC have made progress in	<u>25</u>
development of their own firepower capability with the	26
acquisition of heavy mortars and the use of captured	27
105mm howitzers.	28
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Annex B.)



b. Political (For a more detailed assessment, refer to

Appendix

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(a) The past year has seen a modest strengthening	2
of the weak GKR leadership. President Lon Nol has	<u>3</u>
appeared willing to maintain the coalition nature of	4
	<u>5</u>
his government and has demonstrated that he will	
work with others in preserving political equilibrium.	<u>6</u>
Despite recent improvements, however, the GKR is not	7
popular. Lon Nol and his principal assistants have	<u>8</u>
become closely identified with the increasing	9
hardships of war, and the relative dynamism of the	10
Long Boret government has often gone unnoticed	11
against the background of worsening economic	12
conditions. The loss of buying power by most Phnom	13
Penh inhabitants has, in fact, sharply lowered	14
	<u>15</u>
traditional tolerance for the high living standards	16
and corruption of many civil and military leaders.	
(b) The KC's principal political problems come	<u>17</u>
from the rural population. With an ideological	18
singlemindedness, the KC are attempting to uproot	19
	<u> 20</u>
the passive Khmer peasantry from their traditional culture and mold a new generation of revolutionaries.	21
culture and mold a new generation of	22
More than 100,000 people have fled from KC-controlled	
to GKR territory since the beginning of the calendar	23
year, and voluntary support for the KC has declined.	24

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But the KC hold on the countryside has not been

their confidence in ultimate victory has dropped.

significantly shaken; nor is there much evidence that

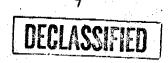
<u>25</u>

<u>26</u>

<u>27</u>

2) Leadership	<u>1</u>
(a) Unaccustomed to privations and lacking in	<u>2</u> .
national discipline, the Khmer population and many	<u>3</u>
Cambodian politicians seem to have been worn down by	4
the war to the point of apathy. Some signs that	<u>5</u>
peace is obtainable in a short timeframe may well	<u>6</u>
be required to sustain public morale and discipline	7
at a level required for national survival.	<u>8</u>
Vitalization of the GKR leadership would, of course,	<u>9</u>
help overcome popular apathy. Most of the top civil	10
and military leaders have been in their current or	11
similar positions since the beginning of the war and	12
are now showing the strain. In the case of the	<u>13</u>
presidency, Lon Nol appears to be the only leader that	14
is capable of exerting the authority and retaining	<u>15</u>
that degree of public support which is required to hold	<u>16</u>
the Republic together under wartime conditions.	17
(b) The KC's campaign to replace Sihanouk with	18
Khieu Samphan as an international spokesman is	19
proceeding smoothly. They have been aided by	20
Sihanouk's uncharacteristically quiet acceptance of	<u>21</u>
his loss of prestige, by the recent willingness of	22
key neutrals to receive KC delegations headed by	<u>23</u>
Khieu Samphan, and by extensive Chinese promotion.	24
(3) International Acceptance	<u>25</u>
(a) Loss of its representational seat at the	26
upcoming UN session in the fall of 1974 would add an	<u>27</u>
important destabilizing factor to the GKR political	28
equation. The UN seat has assumed a psychological	29
and a political significance greatly disproportionate	30
the benefits UN membership actually bestows on	31

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Appendix

loss would not only add to the impetus



of current antigovernment agitation and political	
maneuvering in Phnom Penh but could result in the	2
diminution or loss of critical international	3
political and financial support.	4
(b) The KC's greatest gains have been in the	<u>5</u>
international arena. The number of countries	<u>6</u>
recognizing the Sihanouk Government has increased to	7
55 over the past year (number recognizing the GKR is	. 8
50). The enemy's shelling of Phnom Penh contributed	9
to the erosion of diplomatic representation in	1.0
Phnom Penh as several governments took the occasion	11
to join the USSR and some of its allies in closing	12
or downgrading their embassies. Although there is	1.
a close identity of interests between the KC and	14
Peking, the USSR would seem to have no recourse but	1
to give at least passive support to the present KC	10
team.	1
. Economic (For a more detailed assessment, refer to	11
x C.)	19
(1) The Deteriorating Economy	20
(a) The tenuous political situation in the GKR	2
. has caused the government to avoid making hard	2
economic decisions that are designed to redress the	2
deteriorating economic situation. While the GKR	· 2
has had to continue to print money to finance its	2
commitments, its fiscal and monetary policies have	2
not kept pace with the deterioration of the economic	2
	2

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(b) The GKR is plagued by hyperinflation caused	1
by reduced tax and import revenues at a time when	2
military and civilian budgetary requirements have	3
skyrocketed. Until the GKR's dependence on foreign	4
imports (military and civilian) can be reduced and a	5
more rational economic system implemented, which in	6
turn requires significant military successes,	<u>7</u>
Cambodian economic problems will remain largely	<u>8</u>
unsolved. For the short term, the chances of either	9
of these developments are poor.	10
(2) Commodities, Goods, and the Distribution System	11
(a) Internal food production within the GKR has	12
continuously decreased since the war began. Because	13
of an influx of refugees into GKR-controlled areas,	14
the demand for vegetables, fruits, and meats has	15
increased while the supply has diminished. One-fourth	16
of the GKR population is categorized as refugees	17
and, as such, are not producing foodstuffs for the	18
population.	19
(b) Imported commodities and goods such as rice	20
and POL are arriving in Phnom Penh regularly via the	21
vital Mekong River LOC. The sustained interdiction	22
of the Mekong River LOC would cause the eventual	23
collapse of the GKR, but to date the GKR has shown	24
the ability to keep it open. The continued	25
interdiction of Route 5, and to a lesser extent	26
Route 4, has also caused serious economic problems	27
for the GKR. The agricultural and fisheries production	28
region in the northwest remains isolated from the	29
rest of the GKR, and, except for the recent Tonle Sap	30
River convoys from Kompong Chhnang to Phnom Penh,	31

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commodities produced there cannot reach the bulk

of the population in the Phnom Penh area. Manufactured	<u>1</u>
goods must come to Phnom Penh on Mekong River convoys	2
because the land route (Route 4) to the country's	3
only deepwater port, Kompong Som, remains interdicted.	4
(3) The KC Economic Situation. The KC have only a	5
rudimentary economic infrastructure in areas they control	<u> </u>
(latest estimate is that KC control about 60 percent	7
of the land and 30 percent of the population). While the	2
KC are capable of feeding their population, they do	ç
not possess the economic resources to win a military	10
victory without outside assistance. Military assistance	1.1
comes primarily from the PRC and North Vietnam	12
while North Korea provides an annual grant of about \$1	13
million. KC control of rice- and rubber-producing areas	14
permits them to maintain limited commercial aid and	15
trade agreements with the Democratic Republic of Vietnam	16
(DRV).	17
d. Policy Implications to the United States	11
(1) General. Although there is no formal commitment	19
on the part of the USG toward Cambodia, present	20
assistance efforts in behalf of Cambodia commenced in	<u>2</u>
April 1970. Assistance was provided in furtherance of	22
the Vietnamization process and to protect the withdrawal	2
of US troops in Vietnam. With the accomplishment of	2
these objectives, it has been found that substantial	<u>2</u>
assistance was still necessary to enable the GKR to	20
maintain its neutrality and independence against PRC-	<u>2</u>
and DRV-supported aggression.	21





(2) Congressional Constraints	=
(a) Amenism charonyressional residentions	. 2
governing the number and activities of US official	3
personnel assigned to the US Mission, Cambodia, US	4
in-country assistance to the GKR principally takes	5
the form of economic assistance and MAP equipment	<u> 6</u>
that is programmed, funded, and delivered to FANK.	2
Military training activities in support of various	
FANK programs occur either in CONUS or in a third	9
country under the auspices of the MAP.	10
(b) Although improbable, congressional relief	11
from the binding constraints would pay dividends to	12
the GKR by allowing the in-country personnel	1
authorization (200 personnel) an increase to a	14
reasonable level to permit the introduction of	<u>1</u> 9
individuals who possess a capability to advise/	10
instruct the Cambodians. In the absence of such	17
congressional relief, increasing handicaps to the USG	19
security assistance effort will incur as the	. 19
Cambodians seek greater technical knowledge and as	20
the funding situation becomes more restrictive.	2
(3) MAP	<u>2:</u>
(a) Military assistance funds for Cambodia are	2
essential to the survival of the GKR. Funding	2
requirements have gone steadily upward, culminating	2
with the FY 1974 MAP outlay of \$375.012 million,	2
which was accumulated only by mortgaging MAP in	2
other countries (e.g., Thailand, Korea, Turkey,	2
Indonesia, and the Philippines). This included the	2
entire Presidential drawdown authority (\$250 million	3
in Sec. 506 drawdown authority) which had to be	<u>3</u>

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made available to the Cambodian MAP to see the GKR	<u> 1</u>
through the end of FY 1974.	<u>2</u>
(b) Since the FY 1975 MAP Cambodia funding	<u>3</u>
request of \$362.5 million was formulated 6 months	4
ago, intervening price increases, coupled with a	<u>5</u>
continuing high ammunition consumption rate, may	6
necessitate a FY 1975 MAP of almost \$500 million.	
For example, ammunition costs constituting nearly	
85 percent of the program are increasing funding	9
requirements through increased prices due to	10
inflation, recent high ammunition consumption rates,	11
and poor Cambodian ammunition management procedures.	12
(c) If the FY 1975 MAP funding level is not	13
increased from the current budget request level of	14
\$362.5 million to meet inflationary price increases	15
and if the tempo of combat does not substantially	16
subside, a reduction in ammunition deliveries may	17
be mandatory. Survival of the GKR could well be at	18
stake if such delivery curtailments are effected.	<u>19</u>
(d) Under CRA funding, MAP Cambodia will be	20
able to meet only its minimum requirements. Pa	2]
example, ammunition support during the 1st quarter	22
FY 1975 will require approximately \$59 million; POL	<u>2</u> 2
is anticipated to cost \$3 million; and the balance,	24
\$8 million, will be used to fund essential supply	25
items and training.	26
(4) Economic Support Programs. The US economic	2
support program is designed to make available sufficient	21
essential commodities and goods to prevent a collapse	2

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of the Cambodian economy. Additionally, economic assistance is provided the GKR by allocation of local currency to the GKR budget through counterpart funding. Essential commodities provided by the United States through economic assistance programs in FY 1974 amounted to almost \$266 million and have been sufficient thus far to satisfy the GKR demand. Curtailment of US economic assistance programs could have serious consequences to the GER as they are almost totally dependent on economic assistance from the United States.

- (a) Principal FY 1975 economic support programs for Cambodia are the following:
 - 1. The Commercial Import Program (CIP) which provides credits for the importation of goods to meet local demand and the generation of revenues to help reduce the budget deficit and limit inflation.
 - 2. The Food for Peace Program (PL 480, Title 18 19 I) which furnishes surplus US agricultural 20 products to the local economy. Sales of these <u>21</u> agricultural products help reduce the budget deficit and limit inflation.
 - 3. The Exchange Support Fund provides a multilateral fund of hard currency for financing imports which are ineligible for financing under CIP. Contributions from seven donor countries (including the United States), Cambodia's own contribution, and a compensatory financing drawing on the International Monetary Fund comprise the fund. The United States contributes the largest annual share to the fund



which is anticipated to be approximately \$18	<u>1</u>
	<u>2</u>
million in 1719.5. This important contribution to	<u> 3</u>
the GKR economy could be jeoparuzed if the GKR	
loses its UN representational seat in the	4
fall of 1974.	<u>5</u>
(b) Congress has shown an increasing interest in	<u>6</u>
restricting economic assistance which can be used	<u>. 7</u>
for military purposes by Southeast Asian countries.	<u>8</u>
GKR revenues that have been generated by the above	9
programs have been an important part of the Cambodian	10
military budget. Under the close scrutiny of the US	11
Mission, Cambodia, counterpart funds have been used	12
to provide support for military pay and allowances,	. <u>13</u>
construction of dependent housing, training center	14
construction, personnel accounting computer support	15
costs, printing plant operations, etc.	16
(c) Current congressional concern has focused on	17
the PL 480, Title L support program in Southeast Asia	18
which consists of food sales to needy people in the	19
region while simultaneously generating local revenue.	20
Congress has recently enacted the following two	21
restrictions as part of the FY 1975 Department of	22
Agriculture authorization request which are	23
	24
applicable to Cambodia.* 1. As of 1 July 1974, no funds developed from	<u>25</u>
	26
PL 480, Title I, assistance may be applied to	2
defense programs without the specific approval of	21
Congress.	2
a mbo total amount of PL 480, Title I, funds	-

for FY 1975.)

* PL 480. Title II, food grants for humanitarian purposes remain unrestricted.

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Appendix

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that any country can receive is restricted to 10

percent of the total appropriation (\$425 million

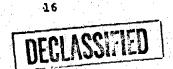
(d) The restriction on the use of PL 480, Title	1
I, funds for military programs in the absence of	2
congressional approval, while not critical, could	3
cause a further handicap to the GKR military budget.	4
Other sources of funds will have to be sought to	<u>5</u>
finance military projects that have previously been	<u>6</u>
financed by counterpart funds generated through PL	2
480, Title I, transactions.	<u>8</u>
(e) FY 1975, PL 480, Title I, Cambodia	9
requirements are projected to be \$77 million. The	10
10 percent restriction leaves a shortfall for	11
Cambodia of \$34.5 million in FY 1975. Restrictions on	12
the use of PL 480, Title I, rice shipments and the above	13
10 percent funding restriction could cause serious	14
problems to an already hard-pressed economy.	15
(f) Not affected by the congressional	16
restrictions on the PL 480, Title I, funds are the	17
US Agency for International Development (AID) programs	18
projected for Cambodia. To cover these programs in FY	19
1975 USAID estimates a funding requirement of \$110	20
million.	21
(TS) US Options for the Future	22
. OPTION IGradual Disengagement	<u>23</u>
(1) The upward spiral of military and economic	24
funding support for Cambodia could be turned around	<u>25</u>
by instituting a policy of gradual reduction of the	<u>26</u>
support. This would clearly indicate that the	27
large-scale and long-term US commitment to Cambodia	28
has limits. It would recognize that in the longer	<u>29</u>
term, Cambodia has become less critical with respect	30
to US interests throughout the world. In addition,	<u>31</u>
	32



ued high levels of US support alone give no

assurance that either a military victory or a negotiated settlement will occur in Cambodia. (2) With careful USG preparation in advance of such	2 3 4 5 6
(2) With careful USG preparation in advance of such	<u>4</u> <u>5</u>
	<u>5</u>
a disengagement, the GKR could be forced into making	6
concessions to the KC that might result in a negotiated	
settlement. While such a settlement may not be totally	.7
favorable, at a minimum the war could be terminated	<u>8</u>
and the savings in US assistance funds could be shifted	9
to fulfill obligations elsewhere in the world. A	10
policy of gradual disengagement in Cambodia would generate	11
bipartisan congressional support as it would, in the	12
view of many, be in keeping with proper USG policy in	13
Southeast Asia in the post-Vietnam war era. In	14
addition, a gradual reduction in the level of US support	<u>15</u>
for Cambodia might even produce a salutary effect by	16
shocking the GKR into instituting governmental reforms	17
which conceivably could result in greater efficiencies	18
with less assistance from the USG.	19
(3) It is clear, however, that US military and	20
economic supporting assistance programs have provided	21
the substance of Cambodia's war effort. The GKR's	22
devastated economy and developing Armed Forces are	23
almost totally dependent on US support. An	24
announcement that US security assistance would be	25
reduced could cause panic within Cambodia and could	26
ultimately cause the downfall of the GKR. All of	27
the many positive gains thus far made by the GKR	28

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would be lost, and the one victor would be the KC, who

were unable to win on the battlefield.

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Actions:

- 2 (1) Establish reduced funding levels. (2) Initiate a diplomatic effort to forewarn the GKR 3
- 4 of the change in US policy.

b. Option II -- Increase Assistance

- (1) While it is recognized that congressional 6 constraints on the level and the type of US assistance 7 to Cambodia are presently binding, it is not 8 inconceivable that an appropriate and aggressive 9 legislative campaign could result in relief from 10 congressional constraints. A reasonable 11 expansion of the in-country personnel authorization, 12 combined with a relaxation of the prohibition against <u>13</u> 14 advisors/instructors, would be sought. Also, additional military and economic assistance funds 15 16 would be requested.
- 17 (2) Since the present levels of security assistance have not resulted in either a military <u>18</u> victory or a negotiated settlement, an increase in 19 security assistance levels is necessary to shift the 20 military and political balances in favor of the GKR 21 22 to create a favorable negotiating atmosphere. 23 Moreover, favorable reaction to an increase in 24 security assistance levels might be more readily forth-<u>25</u> coming if emphasis were placed on increased 26 economic supporting assistance, coupled with a heavy 27 humanitarian relief solicitation. 28
- (3) The failures suffered by the KC during the 1973-1974 dry season offensive offers an opportunity for the GKR to exploit its success with a well-developed

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	economic development plan supported by the United States.	1
	Increased US support for humanitarian relief activities	<u>2</u>
· ·	in a nation where 25 percent of the population is	3
	categorized as refugees would not only be appropriate	4
	but should be favorably received in Congress. Large-	<u>5</u>
	scale economic supporting assistance and humanitarian	<u>6</u>
·	. relief undertaken by the United States in behalf of	<u> 7</u>
	Cambodia would indirectly aid the military effort and	<u>8</u>
	create a positive international image of the United States.	<u>9</u>
	(4) No matter how tempting it might be to consider	10
	an increase in US support for Cambodia, congressional	11
	intransigence, competition for limited security	12
	assistance funds, and traditional Cambodian apathy	13
<i>:</i>	provide little encouragement for the success of such	14
	an effort. In many cases, such as in FANK, near-	<u>15</u>
	saturation levels exist in quantities of onhand	16
	equipment, and additional training absorption capabilities	17
•	are strained. This would serve to degrade any increased	18
	US efforts. In addition, past experience indicates that	<u>19</u>
	any increase in US support to the GKR is matched by an	<u>20</u>
	increase in KC capabilities, thus nullifying any gains.	21
ti	.on s :	22
	(1) Attempt to gain relief from all or any part of	23
	congressional constraints on US assistance.	24
	(2) Attempt to gain additional military and economic	25
	assistance funds for Cambodia.	20
	(3) Initiate diplomatic contacts with third countries	2
	to encourage military and economic assistance	21
	especially neighboring friendly countries.	29

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is spars in the development of an entry own	=
campaign to improve its international image.	2
(5) Develop jointly with the GKR a long-range	3
comprehensive strategy for US support in Cambodia.	4
c. Option III Continue Present Course, Combined With	5
Diplomatic Effort to Achieve a Negotiated Settlement. The	6
inability of the KC to achieve a military victory during the	7
1973-1974 dry season offensive has given rise to the	
view that, unless a negotiated settlement occurs, a	9
protracted war will result. For the future, if the KC	10
continue their strategy at essentially the present level,	11
the intensity of combat will rise and fall with each	12
succeeding dry and wet season. The present war in	<u>13</u>
Cambodia has already gone on for more than 4 years	14
with no relief in sight. Neither side seems capable	<u>15</u>
of achieving a decisive victory on the battlefield. US	<u>16</u>
assistance to the GKR has made it possible for the	17
Lon Nol Government to survive, while DRV and PRC	18
assistance has assured the survivability of the KC.	19
Economically, the GKR is in serious trouble while, at a	20
minimum, the KC's agrarian infrastructure appears able	<u>21</u>
to feed its population. While US efforts to maintain	22
the integrity and viability of the GKR have been	23
successful, to date GKR initiatives aimed at achieving	24
a negotiated settlement of the war have been	<u>25</u>
unproductive. Under these terms, the international	26

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gains being made by the KC and the high level of present

US military and economic assistance to Cambodia would

appear to warrant an all-out US diplomatic initiative,

negotiated settlement of the war as rapidly as possible.

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on an urgent basis, to achieve a cease-fire and a

Appendix

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tions:	
(1) Initiate, as a matter of urgency, an intensive	<u>2</u>
diplomatic campaign to achieve a negotiated settlement	<u>3</u>
as rapidly as possible.	4
(2) Insure that levels of military and economic	5
assistance are provided, within current program levels,	<u>6</u>
to support the diplomatic campaign.	<u> </u>
(3) Encourage the GKR to conduct appropriate military	<u>8</u>
operations in support of the diplomatic initiatives.	9
5. (TS) Conclusions	<u>10</u>
A military stalemate has been achieved in Cambodia,	11
with neither side capable of defeating the other.	<u>12</u>
b. The FANK continue to give evidence of deficiencies	<u>13</u>
in the form of leadership shortcomings, lack of initiative,	14
failure at all levels to impose discipline, poor morale,	15
and an inadequate technical base.	<u>16</u>
c. The KC are plagued with a lack of experienced	<u>17</u>
military leaders and an inability to exercise simultaneous	<u>18</u>
coordination of tactical operations in more than one	19
area. Ideological motivation and harsh disciplinary	20
measures minimize the fact that the morale of the KC	<u>21</u>
fighting man is poor.	22
d. Superiority of FANK firepower offsets KC tactical	<u>23</u>
mobility and initiative.	24
e. While Marshal Lon Nol is not universally popular	25
in the GKR, he appears to be the only leader capable	26
of exerting the necessary wartime leadership.	27
f. The continuing evidence of popular apathy and a	28
noticeable wartime strain on the people pose	<u>29</u>
potentially serious problems for the GKR.	30
g. The recent attempts by the GKR to gain a cease-fire	<u>.</u>
and negotiated settlement have not been productive.	32

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h. The loss of side of R representational seat in the	1
UN could result in critical political and rinancial	2
difficulties.	<u>3</u>
1. Although many people have recently fled to GKR	<u>. 4</u>
population centers from KC-controlled areas, the KC	<u>5</u>
still retain firm control over the remaining population in	<u>6</u>
areas they control.	. <u>7</u>
j. The contest for leadership between Sihanouk and	<u>8</u>
Khieu Samphan continues, with the latter gaining	<u>9</u>
ascendancy.	10
k. Recent international political gains by the KC have	11
been significant. The number of foreign countries	12
recognizing the KC continues to increase.	13
1. Hyperinflation in an agrarian economy disrupted	14
by a war could cause a collapse of the GKR unless outside	<u>15</u>
economic assistance continues.	<u>16</u>
m. The Mekong River remains vital to the survival	17
of the GKR. The continued interdiction of Routes 4 and 5	18
exacerbate the GKR's deteriorating economic situation.	19
n. The KC possess a rudimentary economy that	20
functions to the extent that it is self-sufficient in	21
food production.	22
o. Congressional constraints governing the number	23
and activities of USG personnel stationed in Cambodia	24
are counterproductive to US efforts. Congressional	25
relief would produce significant results.	26
p. US military assistance funds for Cambodia are	27
essential to the survival of the GKR. The FY 1975	28
Cambodia MAP budget request of \$362.5 million may be	29
insufficient to meet requirements imposed by increased	30
ammunition prices and increased ammunition consumption	<u>31</u>
ratas.	33

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q. The KC are dependent supon the DRV and PRC for	1
munitions, weapons and equipment. Without this materiel	<u>2</u>
support and the political support provided, the KC could	. 3
not maintain its present capability.	4
r. Economic support programs provide vital assistance	<u>5</u>
to the GKR by providing essential commodities and goods	6
as well as generating local currency to help reduce	<u>7</u>
budget deficits and limit inflation. Recent congressional	8
restrictions on PL 480, Title I, commodities pose	9
potentially serious problems for the GKR.	10
6. (TS) Recommendation. The Joint Chiefs of Staff	11
recommend that the USG continue to provide support for the	12
KR at essentially those funding levels requested for FY 1975,	13
hile simultaneously undertaking, as a matter of urgency, an	14
ntensive diplomatic campaign to effect a cease-fire and a	15
negotiated settlement (OPTION III). The actions that would	16
e required for such support include the following:	17
a. Initiate, as a matter of urgency, an intensive	78
diplomatic campaign to achieve a negotiated settlement	<u>19</u>
of the war.	20
b. Insure that levels of military and economic	21
assistance are provided, within current program levels,	22
to support the diplomatic campaign.	23
c. Encourage the GKR to conduct appropriate military	24
operations in support of the diplomatic initiatives.	25

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ANNEX A TOTAL ANNEX A	<u> </u>
CAMBODIA MILITARY ASSESSMENT (U)	<u>2</u>
1. (5) Background	<u>3</u>
a. Communist insurgency in Cambodia dates back to the	4
early post-World War II period when the Viet Minh were	<u>5</u>
active in trying to expel the French from Indochina.	<u>6</u>
b. For the purposes of this assessment, however, the	7
buildup of Communist forces occurred in the 1962-1970	<u>8</u>
period when small groups of Khmers moved to and from North	9
Vietnam for training; a few were sent to the USSR and PRC	10
for advanced instruction. Organized Communist warfare	11
against the government of Prince Sihanouk broke out in	12
Battambang Province in 1967. Although short-lived,	13
Communist-inspired insurgency reappeared with renewed	14
vigor and scope in 1968 in Koh Kong, Kompong Speu, and	15
Kampot Provinces; in 1969 it spread to areas contiguous	<u>16</u>
to the Republic of Vietnam.	17
c. In the initial stages of the insurgency, external	18
military support apparently was received from the	19
Vietnamese Communist forces operating along the Cambodia/	20
South Vietnam border. After Prince Sihanouk's ouster in	21
March 1970, however, the Vietnamese Communists	22
accelerated their efforts to organize an effective,	23
indigenous political-military apparatus in Cambodia. In	24
so doing, they moved large numbers of experienced	<u>25</u>
Vietnamese cadre into the country to organize an	<u>26</u>
infrastructure along the lines of that existing in South	<u>27</u>
Vietnam.	28
d. This shift in Vietnamese Communist strategy toward	29
Cambodia emphasized Hanoi's desire to develop a political	30
military apparatus capable of seizing control of the	31

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ANDEX A

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country. With the departure of most Vietnamese Communist	1
combat forces in May 1972, the Khmer Communists (KC) were	2
forced to fill the void and gradually assumed more of the	3
overall military responsibility. By early 1973 the KC	4
had demonstrated ever-increasing military capabilities	<u> 5</u>
and greater staying-power in combat. An indigenous	. <u>6</u>
infrastructure had also been formed down through the	<u>7</u>
village and hamlet level in every province. At this point,	8
North Vietnam-trained KC filled many of the key positions	9
in the infrastructure, and the KC, by and large, were	10
responsible for their own war effort.	11
2. (S) Current Military Situation	12
a. Since Prince Sihanouk's ouster, the Government of the	13
Khmer Republic (GKR) has been hard-pressed to hold its	14
own militarily. At present, it controls only Phnom Penh,	<u>15</u>
outlying provincial capitals (including the important	16
.northwest region), and some vital LOCs, primarily the	17
Mekong and Tonle Sap Rivers. without the prompt delivery	18
of large-scale US military and economic assistance, the	19
GKR would have long since collapsed.	20
b. The Cambodian Army's progress in some areas of the	21
country over the past few months, highlighted most	22
recently by the reoccupation of the historical and	23
religiously significant provincial capital of Oudong,	24
has taken much of the sting out of KC victories this	<u>25</u>
year and last. After a 3-week drive up Route 5,	26
Government troops entered Oudong on 9 July 1974 to find	<u>27</u>
the shattered city abandoned by the KC.	28

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Annex A

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	for the
Moreover, security along the nearby Tonle Sap is	. <u>1</u>
sufficient to permit the regular movement of badly	2
needed agricultural goods down river to Phnom Penh.	<u>3</u>
The rest of Cambodia has become fairly quiet militarily.	4
Only at Kompong Seila in the far southwest are the	<u>5</u>
KC noticeably active. Here they are continuing	<u>6</u>
to shell the surrounded defenders with heavy indirect	<u>7</u>
fire process of the control of the c	8
c. The GKR's recent success northwest of Phnom Penh	. 9
underlines the problems facing KC military forces	10
throughout most of the country. Long-standing command and	11
control difficulties are now compounded by frequent	12
ammunition shortages and an apparent reluctance by	13
battle-weary infantry units to fight. Indeed, the lack	14
of direction in insurgent military activity probably	<u>15</u>
reflects a certain degree of indecision among the	16
Communist leadership, plus combat losses of at least	17
temporarily irreplaceable cadre and experienced troops.	18
d. On balance, recent military developments in Cambodia,	19
in which the GKR not only defended Phnom Penh but launched	20
several local initiatives, brought the Communists	21
little or no return for their effort. Indeed, after	<u>22</u>
failing to win a victory in the Phnom Penh area in	23
January and February, they were forced to shift their	24
effort to the provinces. Although GKR Forces were routed	<u>25</u>
in the Oudong area in March and the enemy won a string of	<u>26</u>
cheap victories along the lower stretch of Route 4, the	27

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Kompong Thom, and Prey Veng.

insurgents were repulsed in their assaults on Kampot,

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Annex A

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e. Overall, the KC remained largely on the offensive	]
throughout the dry season and technically netted a	2
small gain in territory. But since March, the	3
Communists have increasingly fallen short of their goals.	4
Their own problems, and the GKR's resilience and superior	5
firepower, have enabled the Government to inflict	6
heavy losses and to demonstrate the transient nature of the	7
much publized Communist victory at Oudong last spring.	8
3. (5) Enemy Threat	9
a. Analysis of Capability. The Communists have been	10
successful in establishing a viable insurgency in Cambodia.	11
Since early 1970, KC combat forces have increased from	12
less than 3,000 to approximately 50,000-60,000 strong.	13
In addition, the number of KC regiments has increased from	14
three in January 1973 to 19 in January 1974 and to at least	15
25 as of June 1974. As many as four division-size units and	16
13 battlefield command committees have been identified.	17
b. Ongoing organizational changes in the KC force	18
structure attest to extensive efforts to improve	19
country-wide command and control. Political considerations,	20
however, continue to impinge on strategy, thus causing	21
the KC to set overly ambitious combat objectives. Setbacks,	22
notably in this year's Phnom Penh offensive, seem to have	23
created interregional command problems and some animosity	24
among the military and the Party hierarchies.	25
c. On the battlefield, the KC have thus far been unable	26
to counter FANK's superior ground, air, and naval firepower.	27
The KC artillery inventory, which includes an	28
estimated 17-20 105mm howitzers, 20 to 25 120mm	29
mortars, and an unknown number of 107mm and 122mm rockets,	30
is small in relation to the force structure, making it	31

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Annex A

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The Government's advantage in artillery, along with improved air support, has resulted in an enhanced GKR capability to mass fires. This, in turn, has made the KC even more reluctant to concentrate weapons because of the danger of losing scarce resources. Until they can successfully integrate artillery and infantry operations, the KC will remain essentially a guerrilla force attempting to engage in main force warfare. Nevertheless, KC manpower reserves and apparent continuing logistic support from North Vietnam and the PRC should at least enable the KC to continue fighting.

## 4. (S) GKR Military Capabilities

a. Mission of the Armed Forces (FANK). The primary mission of the FANK is to defend the country against external aggression and maintain internal security.

## b. Capabilities (Army)

- multibrigade/division operations and can generally bring superior combat power to bear at different locations fairly rapidly. FANK's ability to generate firepower continues to increase; improvement has also occurred in its ability to coordinate fire and maneuver elements. The establishment of a Combined Combat Operations Center and Fire Coordination Center has contributed materially to this operational improvement.
- (2) Sustained ground force operations are handicapped by the lack of a well-organized personnel replacement system and almost complete dependence upon the United States for logistic support. Moreover, the High Command has not yet demonstrated the ability to coordinate, manage, and execute well thought-out operations.

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(3) Personnel Strength. The Army's reported strength	1
is about 217,000; combat strength is about 120,000.	<u>2</u>
Strength accountability is one of the primary problems	3
facing the Armed Forces. The old personnel system was	4
adequate for an Army of 35,000 men in 1970, but control	<u>5</u>
of strength accountability was lost during expansion.	<u>6</u>
Strength statistics reported to the Personnel Section,	7
the Logistics Section, and the Paymaster of the General	8
Staff have, in the past, shown considerable variance. A	<u>9</u>
recent major restructuring of finance and personnel	10
systems has resulted in considerable improvement in	11
finance procedures and personnel accountability, but	12
weaknesses still remain.	<u>13</u>

(4) Force Structure. The Army is composed of two 14 15 forces: the General Reserve and the Territorial Forces. 16 The General Reserve, the primary mobile intervention 17 force, is under the direct control of the FANK 18 General Staff; it consists primarily of a Presidential <u>19</u> Guard Division, four light infantry divisions, various 20 separate infantry brigades, and one armored and one <u>21</u> artillery brigade. Territorial Force units are under <u>22</u> the administrative control of the Commander, Army <u>23</u> Ground Forces, but are normally operationally <u>24</u> subordinate to the military region in which they <u>25</u> operate. In the main, Territorial Force consists of <u>26</u> 10 infantry brigades and some 160 infantry battalions.

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(5) Organization, Deployment	1
(a) The Cambodian Army is under the operational	<u>2</u>
control of the FANK Chief of Staff. The FANK	<u>3</u>
General Staff also serves as the Army Staff.	4
(b) Cambodia is divided into nine numbered	5
military regions (MR), the Phnom Penh Special	. <u>6</u>
Military Region (PPSMR), and the Takeo Special	7
Military Region. MRs are further divided into 35	<u>8</u>
subdistricts which correspond roughly to provincial	9
or district boundaries.	10
. (c) The ground forces are deployed in all MRs	11
except the fifth (MR 5) in northeastern Cambodia,	12
which is occupied by the Communists.	13
(6) Status of Equipment	14
(a) The US M-16 rifle has replaced the	15
Communist T-56/AK-47 assault rifle as the basic	16
infantry weapon in all General Reserve units and	<u>17</u>
most of the Territorial Forces. The M-79 grenade	19
launcher is also extensively issued. Basic mortars	19
include the 60mm, 81mm, and 82mm models. The US	20
75mm pack howitzer, 105mm howitzer, and 155mm	21
howitzer are the artillery pieces now operational.	22
The Army currently has eight M113 armored personnel	23
squadrons. Four are assigned to four of the five	24
infantry divisions. Each squadron is authorized a	25
total of 25 armored personnel carriers.	<u>26</u>
(b) The armor regiment of the armor brigade	27
is equipped with seven M-24 and 12 AMX-13 French tanks,	28
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(7) Personnel Procurement and Retenction.	=
18 years of age is the lower limit for recruitment,	<u>2</u>
and the term of military service is indefinite. During	3
the 1970-71 Army buildup, regional and unit commanders	4
were authorized to recruit locally. All recruiting was	<u>5</u>
halted on 14 February 1972, however, by the FANK Chief	<u>6</u>
of Staff in view of the inflated strengths being	7
reported through the then inadequate personnel system	. <u>8</u>
and the need to reorganize the Army. Since October	9_
1973, however, FANK has instituted a conscription/	10
recruiting program that has provided FANK with a net	11
gain of approximately 10,000 personnel accessions	12
thus far in 1974. Although the program has been	13
plagued by mismanagement and has never reached its	14
goal, it has generated much needed manpower for FANK.	<u>15</u>
The GKR has yet to come up with an adequate replacement	16
system, but some improvement has been noted. Pay	<u>17</u>
remains low, but combat pay and a free rice issue for	18
intervention units has improved the lot of the low-	19
ranking enlisted men and junior officers.	20
(8) Training. Recruits receive their initial	21
training at one of Cambodia's five training centers or	22
"on-the-job" in a battalion. The best infantry units	23
are those trained in South Vietnam before instruction	24
there was discontinued in January 1973. The war is	25
hampering the conduct of effective training in Cambodia,	<u>26</u>
but inadequate aids, an insufficient number of qualified	<u>27</u>
DAT Indednate arms, an Theorem	

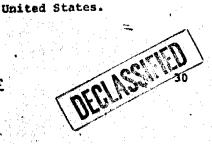
instructors, and inadequate facilities also contribute

extent, in the Philippines, Taiwan, Indonesia, and the

to marginal in-country training. Some specialist

training is conducted in Thailand and, to a lesser

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Annex A

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(9)	٠	Log	is	ti	CS

(a) The Army is essentially dependent on outside logistic support. At present, the United States is the sole supplier of ordnance and munitions, although Japan and Australia have supplied a small number of trucks.

(b) Army supply capabilities are improving slowly, and the logistic system has shown an ability to react to the demands placed upon it during a period of accelerated growth. A supply procedures manual has been published and is being implemented at the technical service depot level. Increased emphasis is being placed on making the distribution system more responsive to tactical requirements. As increased quantities of supplies have been received by the depot system, assistance rendered under the Technical Assistance Contract with the US Government has become more important. Highly qualified third country nationals (contractor personnel) are helping the Army acquire managerial skills and familiarity with the US-type logistics procedures.

(c) The Army is continuing to refine a number 21 of manual supply management systems and is 22 developing a system to report ammunition consumption 23 rates. A central file of equipment densities and <u>24</u> status has been compiled. The need to establish 25 supply priorities and to centralize control of 26 27 movements, however, has only recently been 28 appreciated.

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Annex A

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## c. Capabilities (Navy)

(1) The Khmer Navy (MNK) has for the last year or so demonstrated an outstanding capability in meeting its responsibilities in keeping the Mekong and Tonle Sap Rivers open to vital traffic; in short, the MNK's performance has been an important factor in the continued survival of the GKR. MNK capabilities were most notably revealed during the KC seige of FANK enclaves at Kampot, on the Gulf of Thailand, and Lovek, on the Tonle Sap River. MNK assets were employed on an extended basis at these locations to provide needed gunfire support as well as critical troop transport and resupply. In addition, Cambodian Naval Infantry forces have occupied key chokepoints along the lower Mekong to preclude the interdiction of shipping, an especially important achievement since the GKR's principal land LOCs, Routes 4 and 5, have been continually interdicted for about a year.

(2) Force Structure. The MNK is about 13,000 strong, including 11 Naval Infantry battalions. About 165 craft of the nearly 240 in the MNK inventory are operational. Principal types are: coastal patrol (10); riverine patrol (71), mine warfare (3); amphibious warfare (59); and service (22). They are employed in the seven riverine regions and the maritime region.

(3) MNK Organization and Deployment. The MNK Chief

of Staff, assisted by a deputy and a small staff,

exercises direct control over the MNK and its three

operational components: the Coastal Command; the

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River Command; and the Naval Infantry. Navy

Headquarters and the River Command are located at

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Chrui Chang War; the Coastal Command is at Ream.

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(4) Naval Infantry.	Eleven battalions of Naval
Infantry (approximately	400 men/battalion) provide
protection for shore in	stallations and come under
command authority of the	e operational force commanders.
Two battalions are in the	he formative stage; six of the
remaining nine are emplo	oyed as intervention units.

- (5) Status of Equipment. Ships are of US post-World War II vintage. Maintenance is generally poor due to an inefficient logistics organization, inadequate support facilities, and shortages of spare parts.
- (6) MNK Personnel Procurement and Retention. The

  MNK relies on voluntary enlistments and does not

  have enough personnel to meet present requirements, but

  MNK recruiting efforts are continuing. The minimum

  length of service is 5 years.
- (7) MNK Training. Training facilities are located 16 on the Chrui Chang War Peninsula for officers, petty 17 officers, recruits, and technicians. The basis for 13 choosing trainees is directly related to the degree of 19 formal civilian education, as is their rank upon 20 completion of course work; there is, therefore, a 21 commensurate lack of expertise throughout the rank 22 structure. An increase in overall expertise can be 23 24 anticipated as the quality of instruction increases <u>25</u> and formally trained instructors return from CONUS 26 schools. A yearlong officers electronic course and 4-month advanced officers course have been developed, 27 28 and training has become more formalized. US MAP training for both enlisted men and officers is being 29 conducted in the Philippines and the United States. 30

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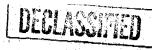
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(8) MNK Logistics. Bases at Rear and Chrui Chang
War are the main logistic centers and handl most craft
repair and maintenance. The repair facility at Chrui
Chang War is capable of minor repairs to smaller craft;
some minor repair work is also done at Ream. The Khmer
Navy also possesses floating crane and drydock capability
and operates two mobile support bases for the maintenance
and repair of river patrol boats (PBRs). Extensive
repairs to larger craft are performed overseas. A small
base at Lem Dam and commercial facilities at the port
of Kompong Som can also be used.

## d. Capabilities (Khmer Air Force (KAF))

(1) Tactical aircraft are primarily used for interdiction and close air support and, in these roles, have shown considerable improvement in the last 6 months' operations. Other tactical capabilities, including reconnaissance and forward air control for artillery adjustment and airstrikes, are improving as more trained personnel enter the inventory. A major weakness, which reduces the overall KAF capability, is the low aircraft serviceability rate caused by inadequate number and low skill level of maintenance personnel and limited facilities. There is, however, a current trend of improvement in the aircraft serviceability rate. The quality of maintenance has shown improvement. This has been the result of more effective training, better management, and contract maintenance. Additionally, the successful execution of two major US assistance efforts (Tactical Air Improvement Plan and ROTORHEAD EXPRESS) have contributed immeasurably toward KAF recent overall improvement.

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(2) KAF Force Structure	1
(a) Personnel strength approximates 10,000	<u>2</u>
(1,250 officers). There are about 670 aircrew	<u>3</u>
members, of which approximately 200 are pilots.	4
(b) The KAF presently consists of one wing,	<u> 5</u>
with five subordinate groupsfighter, forward air	<u>6</u>
control, training, helicopter, and transport.	7
Almost all aircraft and personnel are at	8
Pochentong Air Base, Phnom Penh.	. 9
(c) Principal equipment types are C-123K	10
transports (12), AU-24/AC-47/UH-1 gunships (34),	11
T-28D fighters/bombers (67), and miscellaneous	12
trainer/observation/utility types (61). A few of	13
these aircraft are deployed to Thailand for	14
maintenance or pilot training.	<u>15</u>
(3) KAF Organization and Deployment	<u>16</u>
(a) The KAF, with headquarters at Phnom Penh,	<u>17</u>
is under the operational control of the FANK Chief	18
of Staff but organizationally falls directly under	<u>19</u>
the Minister of National Defense. Three Deputy	20
Chiefs of Staff (Operations, Logistics, and	<u>21</u>
Plans) report directly to the KAF Chief of Staff.	22
Traditional staff functions are subdivided under	<u>23</u>
the individual deputies.	24
(b) Aircraft are of US design but are generally	<u>25</u>
overage. In-country upgrading and training programs	. 25
are conducted with US equipment. Aircraft in-	. 27
commission and serviceability rates average about	28
60-70 percent. Airfield maintenance is adequate,	29
for partial side.	3

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(4) KAF Personnel Procurement and Retention.	1
Personnel retention remains a problem in the KAF as in	. , <u>2</u> .
the other Services. Inflation over the past year has	3
created a very unfavorable wage/price relationship	4
for the salaried employee, and pay scales have not	<u>5</u>
been increased significantly enough to cope with	<u>6</u>
the situation. Desertion is not uncommon, and, though	7
enlistment rates have generally exceeded losses, it is	- <u>8</u>
becoming increasingly difficult to obtain and retain	9
qualified personnel.	10
(5) KAF Training. An in-country pilot training	11
capability exists at the KAF Air Academy at Battambang.	12
Maximum pilot output at the academy is estimated at	<u>13</u>
about 120 per year, involving some 60 hours of flying	14
in the T-41 with additional upgrade training as required	<u>15</u>
in selected aircraft; limited pilot upgrade training	<u>16</u>
is also conducted at Pochentong Airfield. This total	17
pilot training capability will not be fully utilized	18
until at least FY 1976 when ongoing out-of-country air-	<u>19</u>
crew training programs terminate. Basic training is	<u>20</u>
currently conducted at Battambang.	<u>21</u>
(6) KAF Logistics	22
(a) Cambodia presently has no aircraft industry	23
and is entirely dependent on foreign sources for	24
aircraft, aircraft parts, and logistic support. The	25
United States is the primary supplier; French	<u>26</u>
aircraft which remain in service are rapidly becoming	27
unusable due to the lack of parts and a	<u>28</u>
maintenance capability at the depot level.	<u>29</u>
(b) The shortage of skilled maintenance	<u>30</u>
personnel, a lack of special tools, and the	31
proliferation of aircraft types have resulted in low	32

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aircraft in-commission and entry Wowever, recent trends indicate a significant improvement of aircraft in commission rates for the KAF. Indications are that this improvement trend will be sustained. Routine maintenance is performed at workshops in Phnom Penh with assistance/instruction provided by an Air America contract team. The inspection/repairs and necessary maintenance on T-28D, C-47, AC-47, and C-123K aircraft are accomplished by the Thai-America Corporation in Bangkok, Thailand. While KAF mechanics have demonstrated a capability for maintaining all types of aircraft and perform the wast majority of normal KAF maintenance, the increase in numbers and types of aircraft under the combat environment has made it necessary for much of the heavy maintenance to be accomplished out-ofcountry.

- 5. (S) Future Trends. The fighting in Cambodia over the past year or so has demonstrated that the KC lack both the military expertise and the force structure to achieve either decisive victory or the collapse of the GKR. In short, a type of military stalemate has evolved in which the KC are unable to achieve their objectives and the GKR has been able to do little more than react to KC initiatives.
  - a. At this point, the KC have rejected the GKR's latest

    bid (without preconditions) to negotiate an end to the

    conflict. But the KC have problems of their own. They

    have been unable to inculcate their revolutionary

    ideology into the Khmer peasantry. The KC's battlefield

    losses have stripped their forces of the most motivated

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and qualified personnel. Also, the KC are probably not receiving sufficient arms and ammunition from North Vietnam to get the job done. Currently, prospects point to a continuation of these trends through FY 1975.

b. For its part, the GKR is hamstrung by political and economic inadequacies which are reflected in weak leadership and popular apathy toward the war effort and by a near-exclusive dependence on the United States for the wherewithal to continue resisting the KC. The military and economic assistance factor will, of course, be a key ingredient in GKR survival through FY 1975. At a minimum, such assistance would necessarily include rice, POL, ammunition, and essential equipment replacement/ repair to enable the GKR to withstand KC offensive operations at the 1973-1974 dry season level.

16 c. For the remainder of the wet season (at least through 17 October); military action in Cambodia will probably remain 18 at a fairly low level, during which both sides will have a 19 breathing spell to correct deficiencies and plan next 20 year's fighting. If the GKR takes advantage of the time <u>21</u> available and can move effectively to solve or reduce its 22 domestic problems, and the requisite US aid is 23 forthcoming, the Phnom Penh Government will probably survive through FY 1975. In so doing, it should control approximately the same amount of territory and people that it does now. There appears, however, to be slim chance of the GKR undertaking major offensives with the view of reoccupying substantial territory and placing the KC on the defensive. Thus, a continuation of the present military stalemate is the most likely outcome for FY 1975.







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CAMBODIA POLITICAL ASSESSMENT (U)

1. (S) Background. On 18 March 1970, both houses of the	<u>3</u>
Cambodian legislature met at the Government's request and	4
voted to withdraw confidence in Prince Sihanouk as Chief of	<u>5</u>
State. The Prince, who was in Moscow at the time, flew to	<u>6</u>
Peking where he decided to return to power with Communist	7
support, which Hanoi and Peking readily offered. He	8
subsequently established his Royal Government of National	9
Union (GRUNK) and an umbrella-type political organization	10
called the National United Front of Kampuchea (FUNK), of	11
which Sihanouk is chairman. For its part, the new leadership	12
in Phnom Penh changed Cambodia from a monarchy to a republic	13
and equipped it with the necessary accouterments. In effect,	14
however, the Khmer Republic is largely the creature of Lon	15
Nol and his confidents, whose main prop is the military.	16
Political parties represented in the Government are, by and	<u>17</u>
large, responsive to one or other of the political clitc,	18
and their influence does not extend much beyond major	19
urban areas.	<u>20</u>
2. (S) The Current GKR	<u>21</u>
a. In the nearly 4 years of its existence, the Government	22
of the Khmer Republic (GKR) has been plagued by internecine	23
political infighting, a problem which has often adversely	24
affected the war effort. Despite all the sniping and	25
backbiting, however, President Lon Nol remains the single most	26
effective and popular leader on the scene, and his presence	27
at the head of the GKR assures a measure of stability and	28
solidarity. As long as his health holds out and he can	<u>29</u>

sustain his activities, the Khmer political situation will

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position, the Armed Forces, particularly Chief of Staff	1
Sosthene Fernandez who kanks nigh in GKR councils, will play	<u>2</u>
a pivotal role in the choice of any successor to Lon Nol.	. <u>3</u>
b. The GKR has been in fairly good shape politically for	4
the last year or so. Barring several periods of student-	<u>5</u>
teacher dissidence, primarily over economic issues,	<u>6</u>
Phnom Penh has remained relatively calm. Thanks largely	- · <u>7</u>
to the efforts of Prime Minister Long Boret, who has	<u>8</u>
close ties with Lon Nol, relations between civil and	9
military officials have improved. Nevertheless, power	10
struggles within the ruling Socio-Republican Party and	11
interparty squabbling at the national level remain serious	12
and could undermine the viability of the GKR. Moreover,	13
corruption and maladroit leadership, endemic in all	14
Southeast Asian countries but frequently widely publicized	<u>15</u>
in Cambodia, remain pervasive. A growing problem	<u>16</u>
derives from the fact that Lon Nol and his chief aides	17
have become more and more identified with the war and the	18
worsening economic situation. Without aggressive action	<u>19</u>
to reverse these trends, they could in time produce	20
irresistable pressure for violent political changes/	21
the GKR's collapse.	22
3. (S) Khmer Communist (KC) Political Infrastructure	<u>23</u>
a. Political Organizations	24
(1) The key organization with the KC infrastructure	25
is the Communist Party of Kampuchea (CPK). Control of	26
the insurgency at the national level is exercised by the	2
Central Party Committee. This committee probably con-	21
ducts political liaison and coordination with the North	<u>2</u>
Vietnamese Lao Dong (Communist) Party in Hanoi. It is	<u>3</u>
also likely that there is military liaison and coordination	i <u>3</u>



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	The state of the s		and the second second	organization
(COSVN) in	South Viet	nam and,	possibly	, the North
Vietnamese	High Comma	nd.		

- (2) The Standing Committee of the Central Party

  Committee handles day-to-day administrative, military,
  and political decisions; more sensitive policy decisions
  are deferred to the Central Committee, some of whose
  members probably also function as the key leaders in the
  six KC military regions in Cambodia.
- (3) Standing Committee directives are passed down to the six KC regions, which are subdivided into sectors (roughly equivalent to province in echelon), districts, subdistricts, villages, and hamlets. At each echelon, control is exercised by a local committee responsible for political, military, and administrative matters.
- (4) CPK members fill virtually all key positions within the infrastructure, especially at the higher levels. Only at village, and possibly district, level are non-Communist officials found. According to recent reports, however, even these few personalities are being retrained or replaced by CPK cadre. Purges of non-Party military leaders in all areas of the country since January 1974 have further strengthened the grip of the CPK on the insurgent movement.

### b. CPK Leagues

(1) The control and social organization of the populace under KC rule is also implemented by KC leagues.

These leagues, structured along CPK lines, are covert Party organizations which organize and direct the populace through their control of a number of front organizations. In KC-controlled territory, all persons

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re categorized by age, sex, and occupation and placed	1
nder the responsibility of the various front groups.	<u>2</u>
(2) Like other Southeast Asian Communist insurgencies,	<u>3</u>
he Cambodian Communists have also made use of national-	4
evel front organizations.	<u>5</u>
(a) FUNK. The most important of the front	<u>6</u>
organizations is the FUNK, which will supposedly	<u>7</u>
serve as the replacement instrument for the Lon Nol	<u>8</u>
Government. FUNK, which exists in little more than	9
name only, was established in 1970, primarily to	10
units and incorporate under one umbrella organization	11
the various components of the insurgency in Cambodia.	12
Thus, the front encompasses such organizations as the	<u>13</u>
GRUNK and the Cambodia People's National Liberation	14
Armed Forces (CPNLAF) and serves to tie together the	15
divergent Communist and non-Communist forces	16
in-country.	17
(b) CRUNK. Sihanouk formed his GRUNK in Peking	18
in 1970 after he was ousted as Khmer head of state.	19
In practice, it is little more than a figurehead	20
leadership group giving a facade of legality to	21
Communist activities in Cambodia and serving as a	2.2
rallying point for international opinion.	2:
(c) CPNLAF. The CPNLAF is the front organization	24
for KC-led military forces in Cambodia. Like FUNK,	2
the CPNLAF exists in little more than title only.	2
Actual control resides in the Military Affairs	2
Committee of "High Headquarters," an alias for the	2



CPK Central Committee.



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G. Role of Outside Fowers. The KC depend on North	<u>1</u>
Vietnam and the PRC for material and political support.	2
However, few specifics are known about the mission and	3
structure of the liaison/advisory effort existing between	4
the KC and these two important supporters.	<u>5</u>
(1) Vietnamese/KC Relations. COSVN is the primary	<u>6</u>
Vietnamese Communist headquarters that coordinates	<u>7</u>
with and advises the KC. To this effect, a liaison	8
section in COSVN was established in 1970 with the	<u>9</u>
following missions: to exchange planning data; to train	10
KC forces in military techniques and tactics; to assist	11
the KC in their budget and finance systems; to provide	12
medical training and establish dispensaries; and to	13
collect intelligence data.	14
(2) Liaison committees subordinate to the COSVN	15
liaison section serve as the primary and official point	16
of contact between the KC and Vietnamese Communist	17
elements throughout most of Cambodia. In addition, a	<u>18</u>
limited number of liaison/advisory cadre assist KC	19
personnel at regional and sector training centers,	20
.although it is unlikely that any of these personnel are	21
actually instructors.	<u>22</u>
(3) In northeastern Cambodia, the North Vietnamese	23
apparently have their own organization to deal with the	24
KC. Some reports have indicated that an NVA security	<u>25</u>
group, located in Kratie Province, serves in this	<u>26</u>
capacity and that it has the following missions: to	27
control the activities of NVA military units and	28



control the activities of NVA military units and

good relations with KC in order to facilitate the

Vietnamese civilian residents in the area; to maintain

Annex B

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purchase and shipment of supplies; to advise local KC	. ]
military and administrative organizations; and to	3
settle conflicts between NVA and KC regional forces.	
Another NVA security group trains medics for KC	- 4
regional forces.	!
(4) Few, if any, Vietnamese Communist advisers have	. !

operated with KC tactical units since the withdrawal of North Vietnamese combat forces from Cambodia in 1972.

Although the Vietnamese Communists were instrumental in establishing an infrastructure and expanding the KC insurgency in 1970, they currently retain little direct influence over the movement. How this occurred is not clear, but it is certain that the insurgency grew quickly and, perhaps, became too large to be effectively influenced by a relative handful of Vietnamese advisers. In any case, the KC have established firm control over the movement, remaining dependent on the Vietnamese for munitions and equipment. In return, the KC provide rice and travel rights to Vietnamese Communist units in Cambodia.

(5) High-level KC cadre are aware of the possible limitations on their autonomy by overreliance on Vietnamese. The latter, on the other hand, are aware of Khmer resentment toward their presence in Cambodia and have apparently instructed the liaison committees (estimated at 1,000-2,000 personnel) and all military units to cooperate with the KC. This policy does not, however, preclude the use of force or disruptive tactics when the KC block Vietnamese Communist objectives.

Thus, the reported NVA support of Khmer insurgent splinter groups in northeast Cambodia and the fighting



Annex B

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which has occurred between the KC and the now deactivated	=
which has occurred between the the southwest may	<u>2</u>
NVA 1st Division elements in the southwest may	3
have resulted from the failure of more peaceful means	4
of achieving NVA goals. In any case, it is likely that	<u>5</u>
common needs and ideology will override traditional	<u>6</u>
animosities and suspicions and will insure a lasting, if	<u>7</u> .
somewhat strained, relationship or mutual sapparent	<u>8</u>
is some evidence that the North Vietnamese, concerned	9
about the long-term reliability of the KC, have placed	10
a ceiling on their military aid for the Khmer insurgents.	11
d. PRC/KC Relations. While the KC depend on both	12
North Vietnam and the PRC for support, they are reportedly	<u>13</u>
aligned politically with the Chinese. Beginning with	-
open Chinese support for Sihanouk's government in exile	14
in 1970, the PRC has consistently given vocal support to	<u>15</u>
the KC and has funneled munitions and funds to the KC	16
through the North Vietnamese. Although few details of	17
Chinese aid are available, there is some evidence that much	18
of the equipment previously thought to have been provided by	<u>19</u>
the North Vietnamese may have been sent by the PRC, with	20
the North Vietnamese may have been some and the agents.	21
the North Vietnamese acting only as transporting agents.	22
As KC leader Khieu Samphan's China visit in April-May 1974	23
demonstrated, the PRC has publicly increased its support	24
of the KC, apparently even at the expense of Prince	25
Sihanouk. This new prestige for KC leaders provides them	26
a political boost and could ultimately mean increased	27
financial and logistical support from the PRC.	28
USSR/KC Relations. Moscow, in effect, signed on in	29
support of Sihanouk in 1970 but has little influence with	30
the KC. At present, there are no known Soviet-KC trade	31
or military aid agreements; however, this could change if	
or military to increase their influence with the KC.	3





4. (S) Sihanouk/Khien Sandies Contest for Leadership. For	<u>1</u>
the first time since Sihanouk's ouster in March 1970, a	<u>2</u>
real alternative to the exiled Prince's leadership has	<u>3</u>
emerged in the person of Khieu Samphan, KC in-country	<u>4</u>
Commander in Chief and "Defense Minister." Khieu Samphan	<u>5</u>
was given a post on the FUNK Politburo and the title of	6
Minister of National Defense in Sihanouk's Peking-based	2
government-in-exile in May 1970. He was appointed	
commander in chief of the military arm of Sihanouk's united	9
front organization in June 1971 and acting Prime Minister in	10
November 1973.	
a. Khieu Samphan's recent 2-month tour, which took him	12
to Peking, Hanoi, Pyongyang, and several Eastern European	13
and African states, represents a significant step in his	14
steady rise to prominence at Sihanouk's expense. Long	15
before this, however, Sihanouk had acknowledged the leading	16
rais of the KC in the Cambodian insurgency, especially of	1
Samphan and other ministers in the "interior." This	18
was further evidenced when Sihanouk transferred all of the	19
remaining GRUNK ministerial portfolios to in-country KC	20
leaders in November 1973 in a move that was also designed	2
to remove the stigma of "exile" from his Peking-based	22
government. The KC leadership quickly snatched this	2
opportunity to assert an added degree of independence	2
from their head of state, and Sihanouk's personal	2
influence on the KC has declined even more since then.	20
b. Although Samphan's recent trip abroad was apparently	2
designed to enhance both his and the KC's international	2
stature, it was probably also intended to sell the argument	2
that the KC represent the primary political force in	3
Cambodia and that their views, not Sihanouk's, must be	3
reckoned with before any negotiated solution to the war is	32
possible.	<u>3:</u>
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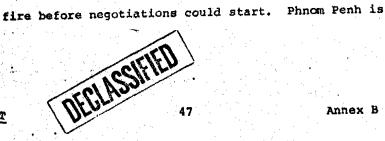
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c. While the KC most likely believe that they will have to	프
ive with Sihanouk at least temporarily after the war,	2
the buildup that Samphan has received casts a shadow over	<u>3</u>
Sihanouk's political future and will make it easier for him	4
to be dumped. At this point, however, Sihanouk is by no	<u>5</u>
means out of the picture, and it is doubtful that either	. <u>6</u> .
the insurgents or Peking can jettison the Prince while the	7
fighting continues, since he has appeal to the Cambodian	<u>8</u>
peasantry. For his part, Sihanouk knows he is in a poor	<u>9</u>
position to contest the KC threat to his position and may	<u>10</u>
in fact have resigned himself to the fact that they have	11
gained permanent ascendency. Sihanouk is remaining active	12
in the political scene to retain what influence he can. He	13
has volunteered to represent the KC at the UN session this	14
fall, perhaps in an attempt to preserve what remains of	<u>15</u>
his prestige.	16
5. (S) Current Developments in the Political Situation	17
a. The GKR's July 1974 Peace Initiative	18
(1) On 9 July 1974, the Cambodian Government issued	<u>19</u>
a new statement on peace negotiations. The formal declara-	<u>20</u>
tion invited the KC to enter immediately into discussions	21
at a mutually agreeable time and place to find a solution	22
to the conflict. The proposal also expressed Phnom Penh's	23
hope that such talks would in turn lead to a cease-fire,	<u>24</u>
withdrawal of foreign troops, and national reconciliation.	<u>25</u>
In addition, it appealed to all countries to assist in	<u>26</u>
effecting a dialogue.	<u>27</u>
(2) This was the GKR's first major peace initiative	28
since 6 July 1973 when it issued a proposal that stressed	<u>29</u>
the need for the withdrawal of foreign troops and a cease-	30
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timistic that its more flexible approach to negotiations	-
11 elicit favorable world reaction and gain support for	<u>2</u>
is fall's contest over the Cambodian seat in the United	3
	4
(3) The KC response, however, has been wholly negative.	<u>5</u>
rince Sihanouk, for example, lashed out immediately	<u>6</u>
at continued US involvement in Cambodia and categorically	. <u>7</u>
ruled out negotiations with the Lon Nol Government. He	8
and previously contended that a peaceful solution to the	9
conflict could be reached after US support for the GKR had	10
been terminated, and then by direct talks with the United	11
States.	12
(4) The RC, who have the final say on the matter, also	13
reacted negatively, but more guardedly, than Sihanouk.	14
	15
In the past, the KC have consistently rejected any nego-	16
tiations with the present Phnom Penh leadership. Recog-	17
nizing that a withdrawal of US aid would likely cause	<u> 18</u>
the fall of the Lon Nol Government, they have also insisted	1 <u>9</u>
on an end to US aid for the GKR as a precondition.	20
(5) Peking's comments on the GKR's peace bid have been	2
straightforward and descriptive, and the PRC has thus	2
maintained a public "hands off" attitude. Hanoi has also	
been cautious. So far, the United States, South Vietnam,	2
and the United Kingdom are the only countries that have	2
publicly endorsed the GKR's 9 July initiative.	<u>2</u>
b. Teacher/Student Unrest and the GXR	2
(1) During the past year, the scene within the	
Khmer Republic has been marked by teachers' strikes and	2
other public protests to dramatize demands for higher	2
wages. The teachers were joined on occasion by students	
airing such familiar grievances as the government's	ź

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failure to reduce control inflation. On	<u>1</u>
4 June, such demonstrations resulted in the and	<u>2</u>
Murder of the GKR Minister of Education and a Presidential	<u>3</u>
over circumstances of their death	4
adviser. Although the exact circumstates are not clear, Communist complicity is suspected.	<u>5</u>
(2) Although the security forces kept the lid on in	<u>6</u>
(2) Although the security the wake of violence triggered by agitators, the political	<u>7</u>
situation in Phnom Penh could deteriorate drastically if	8
the GKR does not demonstrate that it is taking effective	<u>9</u>
action to satisfy widespread demands that the runaway	10
	<u>11</u>
inflation be brought under control.  (3) Partly as a result of machinations by the Secretary	12
General of Lon Nol's ruling Socio-Republican Party and	<u>13</u>
partly because of the student disorders and murders of	14
partly because of the student terms and independents in early June, opposition party members and independents in	<u>15</u>
the cabinet resigned. Prime Minister Long Boret was	<u>16</u>
the cabinet resigned. Prime Ministers ultimately forced to tender the resignation of his entire	<u>17</u>
cabinet to resolve the impasse, but he succeeded in putling	19
cabinet to resolve the impasse, but in	19
together a new government in mid-June.	20
c. Prospects for the New GKR.	21
(1) Long Boret has exhibited vigor and executive	22
initiative but, as was the case with his predecessors,	23
has had little success in controlling divisive political	24
infighting, fueled by continued feuding between the	<u>25</u>
Cabinet and National Assembly and compounded by recurring	26
student-teacher activism, that resulted in the dissolution	27
of Long Boret's first cabinet.	28
(2) President Lon Nol and the Prime Minister were	<u>29</u>
irritated over the Assembly's harassment of the Cabinet	30
and were also displeased over its refusal to give the GKR	31
a vote of confidence for its handling of student-teacher	22

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Although all 126 Assembly deputies are members



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of Lon Nol's Socio-Republican Party, they have shown an	= ,
increasing disregard for party discipline. In addition,	2
many have tended to their own political ambitions first	3
and have seriously strained the delicate alliance between	4
the ruling Socio-Republicans and minority Republicans.	<u>5</u>
(3) The composition of the 17-man Cabinet announced on	<u>6</u>
16 June reflects a carefully contrived formula for damping	<u>7</u>
political antagonisms, but it is questionable whether it	8
will be more effective than its predecessor, since	9
professional qualifications were largely subordinated to	10
partisan political considerations in choosing the new	11
ministers. The Cabinet consists of eight members of the	12
dominant Socio-Republican Party, seven independents, and	13
two military men (including FANK Chief of Staff General	14
Fernander). The exclusion of the minority Republican Party,	<u>15</u>
which held four portfolios in the previous Cabinet,	<u>16</u>
was designed to placate the Socio-Republican-controlled	17
Assembly. Although the Republicans were given increased	18
representation on the Executive Council, the country's	19
top policymaking body, the GKR has been weakened by	20
inclusion of key ministers who are critics of Long Boret.	<u>21</u>
Thus, the future of the most recent GKR is tenuous and its	<u>22</u>
prospects for a long life doubtful.	<u>23</u>
d. The 1974 UN Representation Battle	24
(1) Once again the Phnom Penh government is preparing	25
	<u> 26</u>
for an autumn contest over the Cambodia seat in the UN.	<u>27</u>
Last year's challenge by the Royal Government of National	28
Union of Cambodia (GRUNK) was deferred, but this	29
guaranteed that a pro-Sihanouk resolution would be	
inscribed on the Assembly agenda this year.	<u>30</u>

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claim to the Cambodian UN seat passed up opportunities

to contest Phnom Penh's credentials at the special UN

session this spring, apparently in the view that a victory

at the Assembly session this fall would be better publicized.

For its part, the GRUNK has been preparing for the UN battle

for some time, and KC "Defense Minister" Khieu Samphan

devoted considerable effort to gaining Third World support

during his 2-month international tour earlier this year.

Samphan was able to sign joint communiques in many

capitals that either specifically mentioned the UN issue or

referred to an earlier endorsement of the GRUNK claim to

the UN seat.

(3) At this point, the GKR's prospects for retaining its seat are poor. A recent preliminary assessment by the Department of State indicated that the Lon Nol government was behind by a margin of seven votes, an assessment which springs in part from the fact that the GRUNK now leads the GKR in official recognition. As of June 1974, 55 countries had established diplomatic relations with or recognized the GRUNK, compared with 50 for the GKR.

position have not been as effective as hoped. Prime
Minister Long Boret and Foreign Minister Keiky Lim have
worked hard to gain international support during various
trips abroad this year but have been unable to offset KC
political gains. For example, attempts to line up or regain
support in Africa and the Middle East, where Phnom Penh
has lost the most ground, have not been very productive.
GKR efforts have been limited for the most part to countries
that cast favorable votes last year and, even in these

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circumstances, there has reportedly been some erosion of	1
Phnom Penh's position.	<u>2</u>
(5) The support of Cambodia's Asian neighbors is critical	<u>3</u>
to Phnom Penh's retention of its UN seat. Last year a	4
number of these nations formed an Asian Working Group that	5_
helped lead the fight to postpone debate. Since then,	<u>6</u>
Phnom Penh's standing with some of these nations has	7
slipped somewhat because they believe the GKR has made no	8
significant economic or military progress. Although many	9
may ultimately vote for Phnom Penh, there is a certain	10
regional reluctance to campaign for the Lon Nol side.	11
(6) The GKR would pay a high price for failing to retain	<u>1:2</u>
its UN seat. If that institution were to endorse the	<u>13</u>
GRUNK as the legitimate government of Cambodia, KC leaders	14
would have little incentive to negotiate. On the contrary,	15
they would likely view an international vote of no	16
confidence in the GKR as significantly offsetting their	<u>17</u>
own failure to win any lasting victories during the 1973-197	4 18
dry season military campaign. KC resolve to achieve a	19
military solution to the conflict would probably be	20
reinforced.	21
(7) A defeat at the UN would also adversely affect the	22
domestic political situation in Phnom Penh. The inevitable	23
loss of vital international support and recriminations	24
within the Cambodian Government might well be enough to	25
topple Long Boret. In more tangible terms, Phnom Penh	26
would probably stand to lose a considerable portion of	<u>27</u>
its non-US foreign economic aid. Although such aid	28
amounted to about only \$20 million last year, not great in	29
relation to the overall US economic and military aid	<u>30</u>
expenditures, its loss would cause Cambodia's isolation	31



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in more	stark	terms.	In the f	inal analy	sis, the	GK!	R's		=
loss of	its UN	seat	could even	adversely	affect	the	nature		2
and type	of US	suppo	rt authori:	zed by Con-	gress.			1	3

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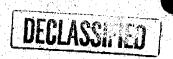
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### ANNEX C

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CAMBODTA	ECONOMIC	ASSESSMENT	(U)

1. (S) Background. The Khmer Republic has an agrarian economy based largely on rice and rubber cultivation; rice and rubber have been the usual exports. Industry, consisting mostly of food processing plants and factories producing consumer goods, is small and hampered by the destruction caused by the war. Commercially exploitable natural resources are limited, and the economy is heavily dependent on foreign aid. The United States has been, and continues to be, the foremost donor of aid to the Government of the Khmer Republic (GKR).

<u>11</u> 2. (5) General Economic Overview. The nearly continuous 12 interdiction of key GKR land LOCs has turned Phnom Penh <u>13</u> into an "economic island"; essentially, the capital is 14 dependent on Mekong River convoys for POL, rice, and other <u>15</u> essential commodities needed for survival. Some domestic 16 supplies of food are available but cannot be properly <u>17</u> distributed. Production of agricultural commodities as 18 well as manufactured goods has declined in recent years, 19 which in turn has shrunk the tax base. Prices throughout 20 the country, especially in Phnom Penh, have soured as 21 steadily increasing military expenditures in the face 22 of reduced tax revenues have led to a severely imbalanced 23 budget. Export earnings in 1973 amounted to an estimated 24 \$15 million, \$73.5 million lower than the 1968 level. 25 Import requirements have increased, especially for rice, 26 resulting in enormous trade deficits. Government foreign 27 exchange holdings remain under severe pressure. Indeed, 28 the economic situation in Phnom Penh over the past year can 29 only be characterized as governed by "hyperinflation." (Rate of 30 inflation for 1974 could reach well over 200 percent.) 31

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detailed discussion of GKR economic problems is contained in	<u>1</u>
paragraph 4.	
3. (5) Khmer Communist Economic Base. The Khmer Communists (KC	
control approximately 60 percent of the land30 percent of the	4
total rice crop area. The exodus of refugees to the GKR-	<u> </u>
controlled cities has, however, reduced the capacity of the	<u> </u>
insurgents to maintain rice production. The KC evidently trade	<u> </u>
rice, salt, sugar, animal fats, soy beans, and gasoline to the	<u>*</u> 8
Vietnamese Communists for arms, ammunition, and medicine.	9
Rice is the most important KC commodity for sale, and KC	10
in the northern provinces have made profits of up to 500	11
percent on transactions.	12
a. Population Control. It is estimated that 30 percent	13
of Cambodia's population of 8 million is in enemy-	14
controlled areas. Harsh population-control measures have,	15
however, induced more than 100,000 people to flee to	16
GKR-occupied areas this year alone. But this trend has	<u> </u>
not yet significantly affected the Communist hold on the	18
countryside.	19
b. Assistance from Outside Powers	20
(1) PRC. A new open-ended military aid agreement	21
between the KC and the PRC was publicly announced	22
in Peking on 26 May 1974. The agreement states	23
that the aid remains "at previous levels, with no	24
intention of new programs." Most Chinese aid is	<u>25</u>
believed to consist of crew-served and individual	26
weapons, ammunition, uniforms, medicines, and medical	27
instruments.	28
(2) North Vietnam. North Vietnamese aid includes	29
communications equipment, weapons, and vehicles.	30

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Some NVA supplies are believed to be tied to "arms for rice" agreements with the KC, reportedly made during late December 1973. Other aid arrangements are believed tied to KC assistance for NVA personnel in and transiting southern Cambodia. As previously stated in the political assessment, there is some evidence that Hanoi is providing less aid than it could to the KC.

- (3) North Korea. Pyongyang reportedly provides the KC an estimated \$1 million in military and economic aid annually.
- (4) USSR and Other Communist Countries. No meaningful data are available on the amounts of economic and military aid provided by the USSR and other Communist donors.
- 4. (S) GKR Economic Base. The GKR's economic problems are compounded by the refugee problem, interdicted LOCs, and shortages of goods.
  - a. Refugees. The population of Phnom Penh has doubled in the last 4 years and now contains approximately

    1.6 million people; some 800,000 of these are refugees.

    There are not enough jobs or other constructive activities for the population, and many are completely dependent on the government for support. This same problem prevails on a smaller scale in provincial capitals, particularly as people flee from the countryside to escape being caught up in the fighting and, more recently, to be free of the KC.
  - b. Interdicted LOCs. For all essential purposes, the

    only LOC available to resupply Phnom Penh is the Mekong

    River. This means that the city's reliance on imported

    rice has increased since 1970 as the land LOCs between

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the capital and the major rice growing area in the north-	<u>1</u>
west have been either cut or blocked by the KC. For	<u>2</u>
example, the railroad linking Battambang with Phnom Penh	<u>3</u>
has been effectively closed to through traffic since 1970;	4
Route 5 to the rice-rich northwest has been closed since	<u>5</u>
September 1973; and Route 4, between the port of Kompong Som	<u>6</u>
and Phnom Penh, has been closed, except for a very brief	<u>7</u>
period, since November 1973. During 1973, 103,100 metric	8
tons of milled rice had to be transshipped from Kompong	. <u>9</u>
Som and Saigon to Phnom Penh via the Mekong to insure	10
GKR survival. During the first 6 months of 1974, 158,000	11
metric tons of rice and 108,300 metric tons of POL were	12
transported up the Mekong to the capital.	13
c. Shortage of Goods. Until 1972, Cambodia was a net	14
exporter of rice. Since that time the country has	15
periodically experienced food shortages, including rice,	16
thereby increasing its reliance on imported commodities.	17
In 1972, total rice imports amounted to 120,000 metric	18
tons; in 1973, 207,000 metric tons. Projections for	<u>19</u>
1974 indicate 291,000 metric tons of rice will be required.	20
In addition to rice and POL, the major nonmilitary	21
commodities that must be imported include iron and steel,	22

d. Lack of GKR Control Over the Economy. Measures

taken by the GKR to stabilize the domestic economy in

27

1973 and 1974 have been aimed at such anti-inflationary

goals as checking monetary expansion, reducing expenditures

in the civil sector, and increasing the availability of

consumer goods. These programs have had little success.

pharmacouticals, electrical equipment, machinery, textiles,

motor vehicles, plastics, sugar, chemicals, and dairy

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products.

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Since January 1973, the Phnom Penh Working Class Consumer Price Index has risen over 500 percent. The shortage of consumer commodities was a major factor in this inflationary increase. The Government's efforts to hold the lid on prices did little but encourage the operation of a black market. There is very little prospect of a substantial improvement in the GKR economic situation through FY 1975.

e. Dependence on US Aid. The GKR receives a nominal amount of aid from countries other than the United States-mainly Singapore, Hong Kong, France, Australia, and Japan-but for all practical purposes is totally dependent on US support. Comparative values of US economic aid to Cambodia follow:

### (US % MILLIONS)

	FY 73	FY 74	FY 75	(PROPOSED)	16
Humanitarian	1.2	13.4	20.0		<u>17</u>
Commercial Import	45.0	62.1	71.0		18
Exchange Support	20.5	18.3	17.5		<u>19</u> 20
Technical Support E Training	0.6	1.2	1.5		<u>21</u> 22
SUBTOTAL	67.3	95.0	110.0		23
Public Law 480	27.5	170.9	77.0		24
TOTAL	94.8	265.9	187.0		<u>25</u>

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